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Garbage and Grand Jury Figure in Howard Hughes Controversy

By WALLACE TURNER
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LAS VEGAS, Nov. 17 — Howard Hughes is gone from here but the battle lingers on, with a Miami grand jury sifting testimony and Hughes detectives sifting the garbage of a man who has sued the mysterious billionaire.

Peter Maheu, the 29-year-old son of Robert A. Maheu, a principal in the continuing controversy surrounding the Hughes enterprises, has been before the Miami grand jury. He suspects he is a target of its investigation.

Through it all, no one has seen Mr. Hughes, who will be 66 years old Christmas Eve. He has disappeared as completely in Nassau in the Bahamas—if, indeed, he is there—as he did in the four years he reportedly lived in a penthouse at the Desert Inn, a hotel-casino on the Strip here.

Until Mr. Hughes left here last Nov. 25, Robert Maheu controlled Hughes Nevada Operations, a $300-million group of casinos, hotels, airports, ranches and apartments.

After much bitter litigation, Mr. Maheu, a former agent of the Federal Bureau of Investigation, was ousted by a group of Hughes Tool Company officials from Houston, led by Chester C. Davis, a New York lawyer.

Victorious in Court

In the ensuing 12 months, Hughes Tool has won a series of court tests and rulings from administrative agencies, such as the Nevada Gaming Commission, that have forced Mr. Maheu out of any connection with the Hughes properties in Nevada.

In each of the contests, the Hughes Tool grup has been able at some point to produce a letter, or a telephone call from Mr. Hughes, or his fingerprints on a piece of paper. These devices have been used on messages that designate Mr. Davis or some of his allies as the managers of the Nevada enterprises.

Mr. Hughes, however, has not been seen for more than a decade by anyone who will talk about it. Robert Maheu has sued Mr. Hughes for $50-million, alleging damages incurred from his dismissal, and Hughes Tool agents have evicted Mr. Maheu from the $800,000 house built for him with Hughes money on the Desert Inn golf course.

Mr. Maheu said that last week he caught agents of the security staff for the Hughes properties here in an arrangement whereby they bought his garbage from the garbage truck operators who picked it up. Mr. Maheu said he assumed it was being sifted for evidence to use in the trial of his suit.

The grand jury investigation in Miami is directed toward discovering if there were violations of Federal laws that prohibit the exporting of electronic surveillance equipment. The investigation concerns the time when Peter Maheu sent a team of investigators to Nassau from Miami to try to discover if Mr. Hughes was really in the Britannia Beach Hotel on Paradise Island.

The investigators worked for Investigators, Inc., of Miami, a company operated by E. L. DuBois 3d. It was founded by his father, E. L. DuBois Jr., who was a contemporary in the F.B.I. with Robert Maheu.

Pressure Is Alleged

Both the younger Mr. DuBois and Peter Maheu have said they believe the grand jury investigation is the result of pressures brought to bear by Robert D. Peloquin, president of International Intelligence, ksown also as Intertel, which has represented Hughes Tool in secutiry matters for more than a year.

Mr. Peloquin was formerly an attorney in the Organized Crime and Racketeering Section of the Criminal Division of the United States Department of Justice. Many of his associates in Intertel were formerly officials in various Government agencies.

"My personal feelings are that it shows how a powerful individual can manipulate the U. S. Government agencies," Mr. DuBois, in a telephone interview, said of Mr. Peloquin and the grand jury investigation.

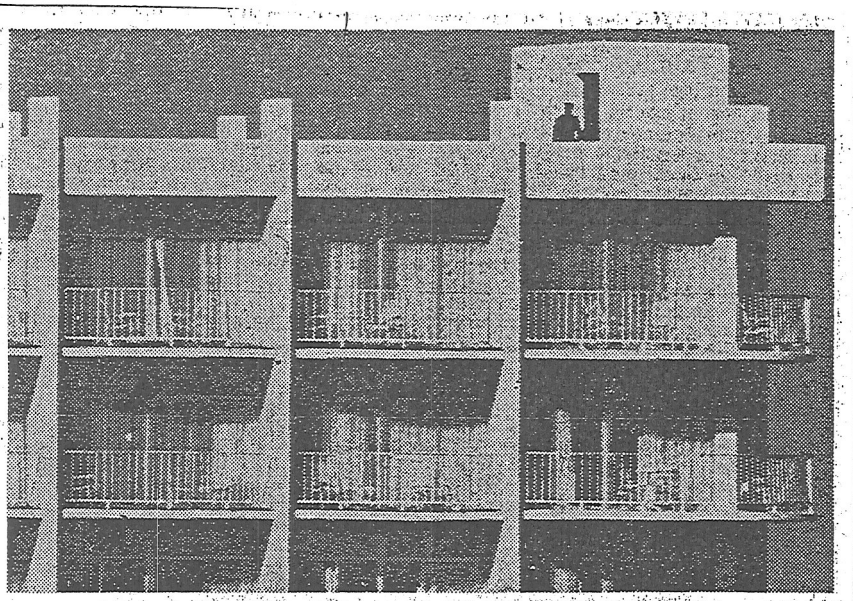
Peter Maheu, who is now unemployed and living in Tucson, Ariz., testified voluntarily before the Miami grand jury late last week. He said he appeared for an hour 40 minutes over two days. He said he had told the grand jury that Howard Hughes now weighs 97 pounds, has long gray hair and a beard, and has fingernails and toenails eight inches long.

Hughes Aides Cited

In a telephone interview, Mr. Maheu said he had related statements made to him by F. W. Gay, a Hughes Tool vice president, in a conversation in the autumn of 1969, while Mr. Hughes was still said to be living at the Desert Inn here.

Mr. Gay had not seen Mr. Hughes, Mr. Maheu said, but was repeating what he had been told by some of the five men who serve Mr. Hughes as executive assistants and are the only persons who see him regularly. Mr. Gay could not be reached for comment on Mr. Maheu's statements.

Mr. Maheu said that while



Bob Sherman for Time

A guard is stationed on roof of the Britannia Beach Hotel on Paradise Island, Nassau, where Howard Hughes has been reported to be living. But Mr. Hughes has not been seen.

Associated Press

Robert A. Maheu has sued for alleged damages by Mr. Hughes, by whom he was employed in Nevada.

Associated Press

Peter Maheu, son of Robert, is under investigation in Miami in connection with his father's case.

The New York Times

Robert D. Peloquin heads International Intelligence, handling security for the Hughes Tool Company.

he was before the grand jury he was asked about the use of electronic surveillance devices that were found in the Britannia Beach Hotel in December, 1970, when Mr. DuBois and his employes were discovered in a room beneath those reportedly occupied by Mr. Hughes and his party. He would not say what his testimony on those questions had been.

Mr. Maheu echoed Mr. DuBois' charge that the grand jury investigation had been instigated by Mr. Peloquin.

Mr. Peloquin, in a telephone interview, said that he had not instituted any proceedings in the matter. He said that the Miami investigators had been found in the Britannia Beach Hotel by Bahamian police and members of the Intertel staff, who also provide security for that hotel. They found that the DuBois group had electronic surveillance equipment, which is illegal in the Bahamas, he said.

The DuBois group was deported from Nassau after being questioned.

Within the week after Mr. Hughes disappeared from the Desert Inn last year, Robert Maheu's forces decided that he was probably in Nassau. Peter Maheu, accompanied by Dean Elson, a former F.B.I. agent on the Maheu staff, and Doug Priest, the captain of Alouette II, the Maheu yacht at Newport Beach, Calif., went to Fort Lauderdale, Fla.

They did not go to Nassau, Peter Maheu said.

Al Bishop, now a public relations man in Las Vegas but then a member of the Maheu staff, said he had testified to the Miami grand jury. He said he had testified that he understood the Maheu organization had been exploring ways to bring Howard Hughes out of the Bahamas by boat.

Subpoenaed for Jury

"At that time I thought, and all of us did, that Howard Hughes had been taken against his will," Mr. Bishop said in a telephone interview. "The word 'kidnap' might have been used, but it was to describe what we thought had been done to get him to Nassau. None of the Maheu people had any thought of holding him for ransom or of removing him from Nassau against his will."

Meantime, about a score of persons have been subpoenaed to testify before the Miami grand jury. Some of them are Mr. DuBois's investigators and some are employes of various elements of the Hughes enterprises.

Their evidence concerns how certain electronic eavesdropping equipment seen in the DuBois party's room came to be in Nassau. The thrust of the investigation is to discover if it was taken there from Miami. This could be a violation of Federal law.

Mr. DuBois, who has not testified to the grand jury, said that all the electronic gear had been bought in Nassau, which he described as "a hub of international commerce and intrigue."

"We didn't take it over there," he said.

Lacked Evidence

Mr. DuBois said that he and others in his group had talked with the authorities in the Bahamas about their concern for Mr. Hughes, but that they were told they lackedevidence on which to base a search warrant to check the rooms to see if Mr. Hughes wasthere, and if he was well and wanted to stay. "We succeed in getting transmitters up there," Mr. DuBois said, referring to the Hughes suite. But he would not say what the microphones picked up.

In the telephone interview with Peter Haheu, an unusual suggestion was made to resolve the probleems of the supporters of his father's position in the bitter dispute.

"All we have to do is block off a suite of rooms in some hotel and tell everybody we're back in charge," he said, chuckling.

About the investigations and schemes in the Bahamas a year ago, Mr. Maheu said:

"All we were prepared to do is follow [Hughes's] wishes. We just planned to see if he needed help. We didn't plan to go into his rooms and try to spirit him out, or even to ask him to come back to Nevada."